Assessment Solutions

Part 1

Match the clues to the correct terms found in the answer key. Write the letter of each term in the space before each clue.

Answer Key:
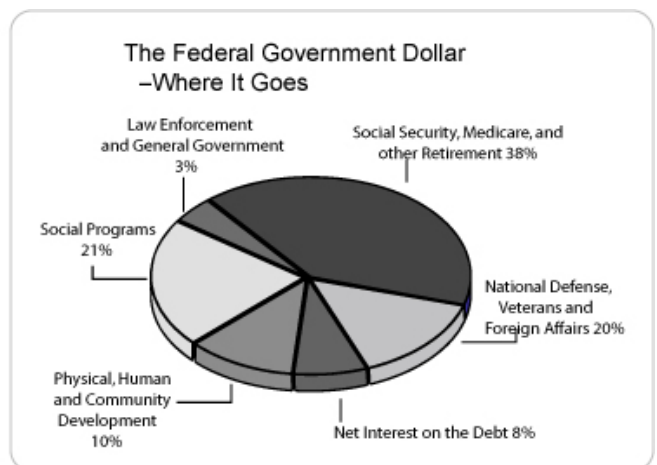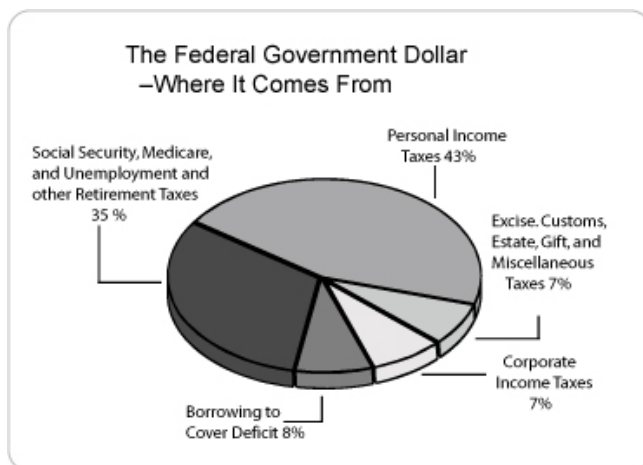**A.** taxes
B. public goods and services
C. revenue
D. resources
E. defense

D Taxes shift these from the private sector to the government.

C Taxes and borrowed money are two examples used by government.

B Governments purchase these for the benefit of the community as a whole.

A When individuals pay these, they have less money to spend on personal goods and services.

E An example of goods and services provided by our government

Part 2

Use the pie chart below titled "The Federal Government Dollar—Where It Comes From" to complete this activity. Match the taxes to the correct percentage they contribute to federal revenue in the answer key. Write the letter of each percentage in the space before each of the taxes.

The Federal Government Dollar —Where It Comes From

Social Security, Medicare, and Unemployment and other Retirement Taxes 35 %

Personal Income Taxes 43%

Excise. Customs, Estate, Gift, and Miscellaneous Taxes 7%

Corporate Income Taxes 7%

Borrowing to Cover Deficit 8%

The Federal Government Dollar —Where It Goes

Law Enforcement and General Government 3%

Social Security, Medicare, and other Retirement 38%

Social Programs 21%

National Defense, Veterans and Foreign Affairs 20%

Physical, Human and Community Development 10%

Net Interest on the Debt 8%

Answer Key:
A. 35%
B. 7%
C. 43%
D. 8%

D Borrowing to Cover Deficit

A Social Insurance Taxes

B Corporate Income Taxes

C Individual Income Taxes

Part 3

Use the pie charts from Part 2 to answer the following questions. Indicate whether each of the statements below is True or False. Write your answer in the space provided.

1. The largest federal outlay is for defense. **False**

2. Social Security and other retirement accounts for 38 percent of the federal spending. **True**

3. Individual Income Tax accounts for the greatest tax revenue. **True**

4. More government dollars are spent on law enforcement than on defense. **False**

5. Corporate Income Tax makes up 7 percent of the federal revenue. **True**